

Headquarters
Department of the Army
Washington, DC
June 2004

Management

Management of Army Enterprise Transformation

Applicability. The following implementation procedures apply to HQDA, its field operating agencies (FOAs), major commands (MACOMS), and all other Army agencies or commands that define, design, implement, operate, or use business processes, information, and systems within their organizations. It applies to Active Army, Army Reserve, National Guard, and organizations, systems, and services that support enterprise solutions across the Army and among Department of Defense (DoD), the Army, and other external organizations.

Proponent and exception authority. The Army Enterprise Integration Oversight Office (AEIOO) is the proponent of this memorandum. The AEIOO has the authority to approve exceptions to this memorandum that are consistent with controlling law and regulation.

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1. Purpose

This memorandum establishes the management structure that governs the integration of Army enterprise solutions across the Army Domains to improve support to the Warfighter and better bridge the operational and institutional Army. It addresses the role of AEIOO and HQDA, FOAs, MACOMs, and other Army agencies and commands in the definition, implementation, and oversight of:

- a. Transformation of Army Business Operations.
- b. Alignment of Business Transformation with Army Transformation to the Future Force to produce a holistic Army Enterprise Transformation.
- c. Establishment of Army Business Enterprise Architecture (BEA).
- d. Conduct of Portfolio Management.
- e. Compliance with the Business Management Modernization Program (BMMP).

This document addresses policies and responsibilities to achieve integrated, Army-wide, end-to-end solutions that support the Army's vision for fielding and maintaining a relevant and ready force.

2. References

- a. Required publications: None.
- b. Referenced publications are listed below.
 - (1) AR 1-1, Planning, Programming, Budgeting and Execution System, 1 January 1994
 - (2) AR 25-1, Information Management, 31 May 2002
 - (3) DoD Transformation Planning Guidance, April 2003
 - (4) Army Enterprise Integration Oversight Office Charter, 16 April 2003
 - (5) CJCSI 3170.01C, Joint Capabilities Integration and Development System (JCIDS), 24 June 2003
 - (6) BMMP System Compliance Certification Process, Draft, 18 May 2004
 - (7) Program Budget Decision 708, Business Systems Transformation, 9 December 2003
 - (8) AR 70-1, Army Acquisition Policy, 31 December 2003
 - (9) DepSecDef Memorandum, Information Technology Portfolio Management, 22 March 2004

(10) Management Initiative Decision 918R, Information Technology (IT) Portfolio Governance and Management, 23 April 2004 (DRAFT)

(11) Army Campaign Plan, 12 April 2004

3. Background

- a. Army Transformation to the Future Force. The Army is transforming to a lighter, faster, more lethal force that is highly modular, and sustainable. The Army's aggressive move towards the Future Force has spearheaded the development of blueprints (architectures) to prescribe the integration of Army warfighting capability into a joint force. As a critical component of the Army Enterprise, it is essential that business operations that support the warfighter are horizontally integrated and bridge the institutional and operational Army. Business operations encompass all the human and fiscal resources, processes, systems, and materiel that provide the means for warfighters to train for and conduct combat and contingency operations. Transforming business operations impacts interfaces and interoperability with the other Services, DoD, and other external organizations. To ensure information technology (IT) investments are managed in an integrated fashion, the Office of the Secretary of Defense (OSD) recently identified governance responsibilities in four Mission Areas: Warfighter, Business, Enterprise Information Environment, and the DOD portion of National Intelligence. These responsibilities were further segmented into Domains (Table 1).

Table 1 – OSD Mission Area and Domain Responsibilities

Mission Area	Mission Area Lead	Domain	Domain Owner
Warfighter	CJCS	Not yet established	Not yet established
Business	USD(C) / CFO		
		Accounting and Finance	USD (C)
		Acquisition	USD (AT&L)
		Human Resources Management	USD (P&R)
		Installations and Environment	USD (AT&L)
		Logistics	USD (AT&L)
		Strategic Planning and Budgeting	USD (C)
Enterprise Information Environment*	ASD(NII)/CIO		
		Communications	ASD(NII)
		Computing Infrastructure	ASD(NII)
		Core Enterprise Services	ASD(NII)
DoD Portion of National Intelligence	USD(I)	Not yet established	Not yet established

* formerly known as Technical Infrastructure

- b. Army Business Transformation. The Secretary of Defense originally established the BMMP to develop a Business Enterprise Architecture (BEA) to serve as a blueprint for how business processes and systems will interact and to direct business modernization efforts of financial or non-financial (feeder) systems. He placed it under the OSD Comptroller and Chief Information Officer (CIO). The OSD Comptroller established a governance structure that segments business operations into Domains, and identified Domain Owners and their responsibilities. When OSD later set governance requirements for the four Mission Areas identified above, the Business Mission Area incorporated the Domains designated by the OSD Comptroller for BMMP.
- c. In its initial phases, BMMP has made significant progress. The Army must build on that momentum to effectively align Army business and warfighter transformation. The Army's strategy for business transformation is aligned with warfighter transformation and BMMP. The strategy delegates implementation authority, responsibility, and accountability to the Business Domains for their respective functional areas. The Army Business Domains are:
 - Accounting and Finance
 - Acquisition
 - Human Resources Management
 - Installations and Environment
 - Logistics
 - Strategic Planning and Budgeting
- d. In the Warfighter Mission Area, an Operations Architecture is being developed by the Army Training and Doctrine Command (TRADOC) that supports the six Joint Functional Capabilities and defines Army Battle Command. Army Battle Command integrates warfighting capability and business processes for the conduct of combat and contingency operations. The Commander, TRADOC is the functional proponent for Army Battle Command and is defining the Army Battle Command Operational Architecture.
- e. In the Intelligence Mission Area, efforts are directed toward developing and synchronizing intelligence resources for the National Foreign Intelligence Program and the Joint Military Intelligence Program. Providing actionable intelligence requires identifying, synchronizing, and tracking Intelligence, Surveillance, and Reconnaissance actions across multiple proponents.
- f. The Enterprise Information Environment (EIE) Mission Area enables the Warfighting, Intelligence, and Business Domains by facilitating the availability of data and information wherever and whenever it is needed.
- g. The Army will adopt the Transformation Governance Structure described in Table 2 to ensure focus on the right capabilities and to synchronize with OSD and the other Military Services. The Secretary of the Army established the AEIOO to provide top-level business transformation policy and guidance for the integration of enterprise solutions for

the Army. AEIOO serves as the Army's primary link to BMMP. It is a resource to the Army Staff and Domain Owners for plans, tools, and techniques to effectively accomplish business transformation in support of the warfighter, and to facilitate implementation of this governance structure.

Table 2 - Army Transformation Governance Structure

	Membership	Responsibilities
Army Transformation Executive Council	<ul style="list-style-type: none"> • Secretary of the Army (Chair) • Mission Area Leads 	<ul style="list-style-type: none"> • Provide governance over Mission Areas • Establish framework for resolving issues from Mission Area Governance Boards • Ensure Army Enterprise integration and synchronization • Provide BMMP compliance oversight across Mission Areas
Mission Area Governance Boards	<ul style="list-style-type: none"> • Mission Area Lead (Chair) • Domain Owners • G-3 (Representative) • CIO (Representative) 	<ul style="list-style-type: none"> • Provide governance over domains • Establish framework for resolving issues from Domain Governance Boards • Establish and oversee Portfolio Management process for Mission Area • Ensure cross-domain integration and synchronization • Provide BMMP compliance oversight across domains
Domain Governance Boards	<ul style="list-style-type: none"> • Domain Owner (Chair) • Stakeholders (Army Staff, MACOMs, and Agencies) • G-3 (Representative) • CIO (Representative) 	<ul style="list-style-type: none"> • Provide governance structure within Domain • Establish and oversee Portfolio Management for Domain • Ensure enterprise solution is compliant with end-to-end process mapping and with BMMP requirements • Collaborate with OSD Domain counterparts • Collaborate with other domain owners for integrated and synchronized Enterprise solutions

4. Policy

It is Army policy that:

- a. Army Mission Areas will develop and implement strategies, policies, and procedures that ensure they operate as “One Army, One Enterprise.”
- b. Enterprise transformation governance will use and/or be integrated with existing DoD and Army management and decision-making processes to the maximum extent possible to minimize added management burden.
- c. The Army will adopt a business transformation governance structure that focuses on the right capabilities to perform Army missions and to ensure synchronization with OSD and other Military Services.
- d. Business transformation is governed by a federated structure that incorporates stakeholder unique requirements and focuses priorities, activities, and decisions on support to the warfighter.
- e. Army business processes align with and support the achievement of Army transformation goals and objectives.
- f. Army Domain Owners, staff principals, and heads of Field Operating Agencies (FOAs) use a common framework to guide transformation planning and activities.

5. Responsibilities

a. Secretary of the Army:

- (1) Establish and chair an Army Transformation Executive Council whose members are the leads of the Army Mission Areas.
- (2) Provide strategic direction for the Army’s transformation.
- (3) Provide guidance to AEIOO.

b. Director, Army Enterprise Integration Oversight Office will:

- (1) Establish and maintain a governance structure that implements Army business transformation and advocates end-to-end solutions that enhance warfighting capability.
- (2) Ensure Army business transformation is aligned with BMMP and warfighting transformation while sustaining support to current operational requirements.
- (3) Measure business transformation progress with specific performance measures that highlight the direct relationships between warfighting and business operations and support the Army Campaign Plan.

- (4) Serve as the Army's primary liaison with BMMP.
- (5) Provide support to the Army Transformation Executive Council.
- (6) Establish and maintain a framework through which the Army will plan and execute business transformation.
- (7) Facilitate coordination between CIO/G-6 and the Domains for developing Domain architectures that are consistent with DoD and Army operational architectures.
- (8) Facilitate coordination with TRADOC to ensure synchronization of Domain transformation efforts with Army doctrine.
- (9) Coordinate with CIO/G-6, G-8/PA&E, and the Business Domains to ensure the Army Domain portfolio comprises the capabilities, programs, and budgets required to achieve Army transformation goals and objectives.
- (10) Support the Mission Area Leads and Domain Owners in developing processes for managing Domain portfolios.
- (11) Develop and implement a methodology for programs/initiatives to perform reviews and that demonstrate compliance with BMMP, the BEA, and other governing architectures.
- (12) Develop and implement an Army-wide Enterprise change management and communications strategy that is consistent with BMMP and the Army Campaign Plan.
- (13) Monitor execution of enterprise transformation activities within the Army and DoD.

c. Assistant Secretary of the Army, Financial Management and Comptroller ((ASA(FM&C)) will:

- (1) Lead the Army Business Mission Area and represent the Mission Area on the Army Transformation Executive Council.
 - (a) Develop the Army Business Mission Area mission, vision, goals and objectives, and strategy.
 - (b) Establish and execute a Mission Area management structure to govern the transformation of the Business Mission Area to support the Army Campaign Plan.
 - (c) Establish and monitor Business Mission Area performance measures and metrics to gauge the support to warfighters and the implementation of Army enterprise business transformation.

- (d) Approve the business transformation framework for use by the Domains for accomplishing business transformation.
 - (e) Develop and implement a comprehensive change management strategy and plan for the Business Mission Area.
 - (f) As part of the coordination process associated with statutory compliance, reviews and endorses recommendations for approval for annual expenditures submitted from all Business Domains in excess of \$1M for new and legacy financial systems/initiatives or nonfinancial feeder systems/initiatives (i.e., systems that interface with financial systems).
 - (g) Within the Business Mission Area, ensure Domain Owners obtain all required OSD/Army system/initiative approvals, e.g., BEA System Compliance, Acquisition Milestone Decisions.
- (2) Establish and chair the Business Mission Area Governance Board whose members are the leads (owners) of the Army Business Domains to oversee the transformation of the Army Business Mission Area.
 - (3) Guide the development of the Army BEA by coordinating the efforts of the Business Domains with technical assistance from the CIO/G-6.
 - (4) As the Army Comptroller, and as part of the coordination process associated with statutory compliance, reviews and endorses recommendations for approval for all annual expenditures submitted from all Mission Areas in excess of \$1M for new and legacy financial systems/initiatives or nonfinancial feeder systems/initiatives (i.e., systems that interface with financial systems).
- d. Assistant Secretary of the Army, Acquisition, Logistics, and Technology (ASA(ALT)) will:**
- (1) Require PEOs and program managers to adopt and use the appropriate Domain mission, strategy, architectures, data strategy and business rules from Domain subject matter experts in their acquisition process.
 - (2) Facilitate coordination between PEOs, program managers, CIO/G-6, Domains, and TRADOC to ensure the Army enterprise, Domain and battle command architectures reflect knowledge gained in the acquisition process.
- e. The G-2 will:**
- (1) Lead the Army portion of the National Intelligence Mission Area and represent the Mission Area on the Army Transformation Executive Council.
 - (2) Establish and chair the Intelligence Mission Area Governance Board whose members consist of the leads of the Army Intelligence Domains.

- (3) Approve and monitor performance metrics within the Intelligence Mission Area.

f. The G-3 will:

- (1) Lead the Army Warfighter Mission Area and represent the Mission Area on the Army Transformation Executive Council.
- (2) Establish and chair the Warfighter Mission Area Governance Board whose members consist of the leads of the Army Warfighting Domains.
- (3) Represent the Warfighter on all Army Mission Area Governance Boards.
- (4) Coordinate with Commander, TRADOC and CIO/G-6 for the development of battle command processes and architecture.
- (5) Establish priorities for transformation of business capabilities in support of the Army Campaign Plan, designating the business operations that are most critical to battle command.
- (6) Approve and monitor performance metrics within the Warfighter Mission Area.

g. The CIO/G-6 will:

- (1) Lead the Army Enterprise Information Environment (EIE) Mission Area and represent the Mission Area on the Army Transformation Executive Council.
- (2) Establish and chair the EIE Mission Area governance board.
- (3) Approve and monitor performance metrics within the EIE Mission Area.
- (4) Provide expertise to all Army Mission Area Governance Board in the area of technical infrastructure.
- (5) Support enterprise transformation and architecture development and integration through membership on OSD, Army, and Domain governance boards to provide technical expertise and ensure integration with the Army Enterprise Architecture.
- (6) Facilitate and integrate Domain architectures into the Army Enterprise Architecture.
- (7) Guide, facilitate, and integrate the Army's IT portfolio, including preparing submission of IT budget exhibits.
- (8) Manage the Army's central repository of IT systems.

h. The G-8/PAED will:

- (1) Provide technical expertise to the Army Transformation Executive Council and the Mission Area Governance Boards regarding budget formulation and performance measurement of Business Domain support to warfighter capability.
- (2) Develop oversight and review procedures to ensure that analyses of alternatives, economic analyses, and business cases are performed and contain sufficient analytical rigor to support effective portfolio management.
- (3) Ensure that the proper balance between enterprise transformation and support to current operations is maintained in the Planning, Programming, Budgeting, and Execution (PPB&E) process.

i. Army Mission Area Leads (Business, Warfighter, Intelligence, and EIE)

- (1) Ensure cross-domain integration of transformation goals, objectives, strategies, and transformation execution activities.
- (2) Ensure Domains comply with all statutory requirements such as the Clinger-Cohen Act and the Business Financial Management Modernization Plan.
 - (a) Ensure that compliance with statutory requirements is accomplished at acquisition milestones for all programs/initiatives initiated by the Mission Area.
 - (b) Ensure USD (C) certification is accomplished for all transformation programs/initiatives initiated by the Mission Area.
 - (c) Participate on Army Transformation Executive Council

j. Army Domain (Business, Warfighter, Intelligence, and EIE) Owners will:

- (1) Develop Domain mission, vision, goals, objectives, strategies, and performance measures that gauge both support to the Army Campaign Plan and accomplishment of enterprise and business transformation:
 - (a) Analyze gaps in warfighting support and redundancies in processes and solutions.
 - (b) Use modeling and simulation of processes to guide strategy and architecture development, and validate solutions.
- (2) Develop and execute a Domain governance structure consistent with the Army and DoD structure:
 - (a) Establish a Domain transformation governance board.

- (b) Represent the Domain on the Mission Area Governance Board.
 - (c) Develop appropriate plans and charter(s) to establish roles and responsibilities within the Domain that are consistent with those outlined in this policy memo.
 - (d) Establish, monitor, and report Domain transformation performance metrics that are linked to the Domain and the Army's business strategy.
 - (e) Ensure the Domain governance structure enables OSD Domain, BMMP, HQDA, MACOM, and field activity requirements to be addressed in Domain transformation activities and oversee their activities.
 - (f) Represent the Domain at Army and OSD transformation and functional governance boards and forums.
- (3) Develop and implement Domain-specific change management and communications strategies and plans to communicate and institutionalize transformed processes.
- (4) Develop and maintain the Domain strategy, architecture products, process modeling, data strategy and transition plans consistent with the approved Mission Area transformation framework:
- (a) Ensure Domain business processes are consistent with governing architectures and plans, e.g. BEA, Army Battle Command Architecture.
 - (b) Identify opportunities for efficiency and consolidation via cross-Domain coordination and integration.
 - (c) Ensure interoperability within the Domain and among other Domains.
 - (d) Develop and maintain Domain transition strategies, plans, priorities, and resource requirements and maintain a Domain transition plan that implements end-to-end solutions.
 - (e) Work concurrently through Mission Area Lead, Army CFO, and OSD Domain counterpart(s) to obtain all required system/project approvals, e.g., BEA System Compliance, Acquisition Milestone Decisions, USD(C) Certification.
- (5) Maintain a Domain portfolio and establish portfolio management processes consistent with the approved Mission Area transformation framework:
- (a) Manage IT investments as portfolios, making investment decisions based on integrated architecture, Mission Area and Domain goals, risk/return assessment, and performance.
 - (b) Perform analyses linking Domain goals to Army and DoD enterprise vision, goals, objectives, priorities, and capabilities.

- (c) Select the best mix of investments to achieve goals and plans.
- (d) Control portfolio and individual projects to ensure acquisition is accomplished in accordance with cost, schedule, performance, and risk baselines, as well as statutory and documented technical criteria.
- (e) Evaluate portfolio on a recurring (at least annual) and systematic basis to assess and measure actual contributions of the portfolio, and adjust the mix of portfolio projects as necessary.
- (f) Establish and monitor capability targets that demonstrate portfolio performance and consolidation.
- (g) Review and approve program/initiative cost estimates, analyses of alternatives, economic analyses, business cases analyses, and budgets to perform effective portfolio management and to ensure funds are appropriately allocated to meet Domain and Army enterprise objectives.
- (h) Review and provide recommendations to OSD Domain Owners.
- (6) Guide, monitor, and ensure appropriate resourcing for implementation of transformation activities and initiatives within the Domain and ensure compliance with all applicable statutory requirements:
 - (a) Represent and defend programs within PPB&E process.
 - (b) Ensure that program executive officers (PEOs) and program managers (PMs) are executing assigned programs in a manner consistent with the Domain strategy and the Mission Area transformation framework.
 - (c) Designate functional proponents/sponsors.
 - (d) Provide subject matter expertise to develop business rules for architectures used in transformation and by the PEOs, PMs for systems acquisition.
 - (e) Develop and communicate execution guidance and training plans.
 - (f) Review and provide recommendations to OSD Domain Owners for any annual expenditure in the Domain in excess of \$1M for new and legacy financial systems/initiatives or nonfinancial feeder systems/initiatives (i.e., systems that interface with financial systems), completing requirements for USD(C) approval/certification when needed.
 - (g) Develop metrics for assessing and mitigating risks both in ongoing business operations support to warfighting and in accomplishing business transformation.

- (h) Monitor results of evaluations (development and operational evaluation, and independent verification and validation) to ensure that implementation efforts are yielding the intended results.
- (i) Monitor performance measures to track execution and risk.
- (j) Ensure compliance with DoD and Army directives and guidance.
- (k) Report progress of programs/initiatives across the Domain.

k. Principal HQDA Officials and FOAs. In addition to the specific responsibilities outlined above, within their respective areas of functional and process proponency, principal HQDA officials and their FOAs will:

- (1) Participate in enterprise transformation and oversight processes.
- (2) Provide support to Domain Owners as required to meet Army goals.
- (3) Participate collectively with other Army stakeholders in the portfolio management process.

6. Effective date. This policy is effective immediately.

Glossary

Section I - Abbreviations.

AEIOO

Army Enterprise Integration Oversight Office

ASD(NII)

Assistant Secretary of Defense (Networks and Information Integration)

BEA

Business Enterprise Architecture

BMMP

Business Management Modernization Program

CFO

Chief Financial Officer

CIO

Chief Information Officer

CJCS

Chairman Joint Chiefs of Staff

EIE

Enterprise Information Environment

IT

Information Technology

PPB&E

Planning, Programming, Budgeting and Execution

USD(AT&L))

Under Secretary of Defense (Acquisition, Technology, & Logistics)

USD(C)

Under Secretary of Defense (Comptroller)

USD(I)

Under Secretary of Defense (Intelligence)

USD(P&R)

Under Secretary of Defense (Personnel & Readiness)

Section II - Terms.

Application (financial or mixed system) (OMB Circular A-127, Financial Management Systems (07/23/1993). A group of interrelated components of financial or mixed systems which supports one or more functions and has the following characteristics:

- common data base
- common data element definitions
- standardized processing for similar types of transactions
- common version control over software

Army Battle Command (Army Transformation Roadmap, Chapter 2, November 2003).

Battle command is the art and science of applying leadership and decision making to achieve mission success. Battle command encompasses the functions of leadership (providing purpose, motivation, and direction) and decision-making. Enabled by command, control, communications, and computers (C4) and intelligence, surveillance, and reconnaissance (ISR), battle command enhances the commander's ability to gain information and decision making advantages over any adversary. Fully networked battle command capabilities are the bridge from the Current to Future Forces and enable the Joint Force Commander (JFC) to conduct fully interdependent, network-centric warfare. The Army views battle command as the essential operational capability that fundamentally enables the conduct of future joint operations. To implement the Joint Operations Concepts (JOpsC) and Joint Operating Concepts (JOCs) and achieve decision superiority, the Future Joint Force will exercise battle command within an inherently joint, top-down network that provides common situational awareness.

Army Transformation (Army Transformation Roadmap, Chapter 1, November 2003).

Transformation is a process that shapes the changing nature of military competition and cooperation through new combinations of concepts, capabilities, people, and organizations that exploit the Nation's advantages and protect against asymmetric vulnerabilities to sustain strategic position, which helps underpin peace and stability in the world. The Army will transform its culture, capabilities, and processes as an integral component of Defense Transformation. The Army frames transformation through the interaction of the continuously evolving capabilities of the Current to Future Force. The Current Force is today's operational Army. The Future Force is the operational force the Army continuously seeks to become. The Army possesses and refines capabilities to enable the Current Force to conduct joint operations in the near term while it simultaneously develops transformational capabilities for the Future Force. Army Transformation leverages Current Force operational experience, the insights from innovative joint and Army concept development and experimentation processes, and science and technology to enhance the responsiveness, readiness, and capabilities of the Future Force.

Enterprise Integration. (AEIOO Charter, 16 April, 2003). The vertical and horizontal alignment of plans, business processes, and information systems across organizations and functional boundaries to provide competitive advantage.

Federated structure. A management and organizational construct that governs by virtue of a compact between the affected entities that surrender their individual sovereignty to a central authority but retain limited residual powers.

Financial system (OMB Circular A-127, Financial Management Systems (07/23/1993)). An information system comprised of one or more applications that is used for any of the following:

- collecting, processing, maintaining, transmitting, and reporting data about financial events;
- supporting financial planning or budgeting activities;
- accumulating and reporting cost information; or
- supporting the preparation of financial statements.

A financial system supports the financial functions required to track financial events, provide financial information significant to the financial management of the agency, and/or required for the preparation of financial statements. A financial system encompasses automated and manual processes, procedures, controls, data, hardware, software, and support personnel dedicated to the operation and maintenance of system functions. A financial system may include multiple applications that are integrated through a common database or are electronically interfaced, as necessary, to meet defined data and processing requirements.

Financial management system (OMB Circular A-127, Financial Management Systems (07/23/1993)). The financial systems and the financial portions of mixed systems necessary to support financial management.

Governance (paraphrased from the BMMP website – Governance model page).

Governance describes how and by whom business transformation will be implemented within the Army. Specifically, governance:

- Is a management vehicle designed to ensure efficient execution, guidance, and oversight for Army business transformation and compliance activities
- Is achieved through organizational structure and performance measurement, which define boundaries, authorities, responsibilities, and tasks

Information system (OMB Circular A-127, Financial Management Systems (07/23/1993)).

The organized collection, processing, transmission, and dissemination of information in accordance with defined procedures, whether automated or manual. Information systems include non- financial, financial, and mixed systems as defined in this document.

Mixed system (OMB Circular A-127, Financial Management Systems (07/23/1993)). An information system that supports both financial and non-financial functions of the Federal government or components thereof.

Non-financial system (OMB Circular A-127, Financial Management Systems (07/23/1993)).

An information system that supports non-financial functions of the Federal government or components thereof and any financial data included in the system are insignificant to agency financial management and/or not required for the preparation of financial statements.

Portfolio Management. "A Summary of First Practices and Lessons Learned in Information Technology Portfolio Management," Federal CIO Council Best Practices

Committee, March 2002. The processes, practices, and specific activities to perform continuous and consistent evaluation, prioritization, budgeting, and finally selection of investments that provide the greatest value and contribution to the strategic interest of the organization. Through portfolio management, the organization can explicitly assess the tradeoffs among competing investment opportunities in terms of their benefit, costs, and risks. Investment decisions can then be made based on a better understanding of what will be gained or lost through the inclusion or exclusion of certain investments.

Single, integrated financial management system (OMB Circular A-127, Financial Management Systems (07/23/1993)). A unified set of financial systems and the financial portions of mixed systems encompassing the software, hardware, personnel, processes (manual and automated), procedures, controls and data necessary to carry out financial management functions, manage financial operations of the agency and report on the agency's financial status to central agencies, Congress and the public. Unified means that the systems are planned for and managed together, operated in an integrated fashion, and linked together electronically in an efficient and effective manner to provide agency-wide financial system support necessary to carry out the agency's mission and support the agency's financial management needs.

Section III - Special Abbreviations and Terms. This section contains no entries.